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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

C-62 WORLD COTTON PROSPECTS September 30, 1930

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SUMMARY

Cotton prices both in America and abroad declined during August and September. Of the important growths Egyptian Sakellaridis fell most and Indian cotton fell the least. American middling 7/8 inch cotton declined about 2¾ cents per pound from the first part of August to the last of September when prices in the central markets were the lowest since September 1915 and the farm prices in the United States the lowest since July 1921. The stronger market for Indian cotton in comparison with American changed the price relationship which was effective in causing foreign mills to shift from American to Indian cotton in the past year. Egyptian Uppers have also shown more strength than American cotton recently.

The world visible supply of all cotton on September 26 was about 1.8 million bales larger than at the same time a year ago. World visible supply of American cotton was about 1.6 million bales more than a year ago and constituted about 70.1 per cent of the total, whereas a year ago American cotton amounted to about 60.5 per cent of the total. Exports of American cotton from August 1 to September 27 were about 200,000 bales above the corresponding period last year.

A summary of available figures on world stocks of all kinds of cotton at the end of July totals 11.2 million bales as compared with 9.3 million

bales last year. A similar summary of available figures on world stocks of American cotton totals 6.4 million bales for July 31 this year compared with 4.6 million last year.

The recession in the cotton textile industry which is more or less general throughout the world continued through August and into September. Conditions in the Orient were reported somewhat improved during the last of September which somewhat improved the outlook for Great Britain. Smaller stocks of yarn and cloth which were reported for some countries is another favorable factor. Textile activity in the United States during August as measured by consumption of raw cotton was the lowest since July 1924. Production of standard cotton cloth on the other hand was 5 per cent higher during August than during July, and sales, shipments and unfilled orders also showed some improvement.

Prices

Spot

American middling 7/8 inch cotton in the ten markets averaged 12.38 cents per pound on August 7 but from this point it declined to 10.10 cents on August 18. For the two following weeks there was somewhat of an upward trend until on September 5 the price in these markets averaged 10.70 cents per pound. Since then, however, there has been a steady decline until on September 27 the ten markets averaged 9.58 cents per pound which was the lowest daily average since September 9, 1915. The average price in the ten markets during September was 10.14 cents per pound compared with 10.63 cents for August, 12.21 cents for July, 18.01 for September 1929, and is the lowest monthly average since September 1915. The average farm price on September 15 was 9.9 cents, 1.5 cents below August 15, 8.3 cents below September 15, 1929, and is the lowest since July 1921.

In the Liverpool market, as may be seen from the accompanying Figure, Egyptian Sakellaridis showed the greatest decline of any of the important growths during the period from August 8 to September 12 while Indian (Oomra No. 1) showed the smallest decline. When converted from pence to cents the net decline during this period for the different growths are as follows: Egyptian Sakellaridis, fully good fair, 4.15; Egyptian Uppers, good, 1.88; American middling, 2.52; Indian, Oomra No. 1, fully good, 0.51. This smaller decline in Indian and Egyptian Uppers has resulted in a price relationship between these two growths and American the most favorable to consumption of American cotton which has existed for the past nine months (note dotted lines on accompanying Figure). Since the accompanying Figure was prepared Sakellaridis advanced to 21.29 cents per pound on September 19 but declined to 20.38 cents on September 26. Uppers advanced to 18.46 cents on September 19 and declined to 17.85 cents on September 26. American middling and Indian Oomra No. 1 on the other hand were both lower each week with American middling at 11.94 cents on September 26 and Indian Oomra No. 1 at 7.19 cents on September 26. The price relationships in regard to American continued to improve during these last two weeks. This relative strengthening in the price of Indian cotton is probably due to the fact that the visible supply of Indian cotton is some 200,000 bales below last year while the supply of American is considerably above last year.

Futures

Prices of future contracts for American cotton moved about as did the prices of spot cotton. From August 8 to September 25 the net decline in the New York market was 1.70 cents in case of July contracts to 2.09 cents per pound in case of the old October contract. On the New Orleans market the greatest decline was in the October contract of 1.95 cents per pound and the smallest decline in the May contract of 1.81 cents per pound. In Liverpool the net decline was 1.72 cents in case of July contracts to 2.07 cents per pound in case of October contracts.

Stocks and movements

World visible supply

The world visible supply of all cottons on September 26, 1930 totaled about 6.2 million bales compared with 4.4 million bales at the same date last year. Of this total 4.3 million bales or 70.1 per cent was American this year compared with 2.7 or 60.5 per cent last year. United States port stocks, United States interior stocks, Continental stocks of American, and American afloat for Europe were all above last year while Great Britain stocks of American were slightly below a year ago. The most significant change in the visible supply of foreign cottons is the increase in stocks in Alexandria, Egypt and the decrease in stocks in Bombay, India. Stocks in Alexandria constitute 7.8 per cent of the total visible supply this year compared with 4.0 per cent of the total last year. Stocks in Bombay constitute 9.6 per cent of the total this year compared with 17.5 per cent last year.

Table 1.- World visible supply of cotton: American and other growths on September 26, 1929 and 1930 1/

Location of stocks	1929 Total	1929 Percentage of total	1930 Total	1930 Percentage of total
	American			
	Running bales	Percent	Running bales	Percent
Great Britain	264,000	6.0	254,000	4.1
Continental	283,000	6.5	343,000	5.5
Afloat for Europe	366,000	8.3	440,000	7.1
United States:				
Port stocks	1,164,518	26.6	2,490,742	40.2
Interior stocks	573,923	13.1	818,124	13.2
Exports today (Friday)	375	.0	-	-
Total American	2,651,816	60.5	4,345,866	70.1
	East Indian, Brazilian, etc.			
Great Britain	458,000	10.5	487,000	7.9
Continental	92,000	2.1	121,000	2.0
Indian afloat for Europe	116,000	2.6	74,000	1.2
Egypt, Brazil, etc. afloat	121,000	2.8	86,000	1.4
Alexandria, Egypt	177,000	4.0	483,000	7.8
Bombay, India	765,000	17.5	593,000	9.6
Total East Indian, Brazilian, etc.	1,729,000	39.5	1,844,000	29.9
Total visible supply	4,380,816	100.0	6,189,866	100.0

1/ Compiled from the Commercial and Financial Chronicle.

SPOT COTTON: COMPARATIVE PRICES AT LIVERPOOL, 1930

U. S. DEPARTMENT OF AGRICULTURE

BUREAU OF AGRICULTURAL ECONOMICS

Exports of American cotton

Exports of American cotton during August 1930 amounted to 366,036 running bales compared with 176,435 bales during July and 226,018 bales during August, 1929 according to the Bureau of the Census. Exports from August 29 to September 27 according to the New York Cotton Exchange reports amounted to 758,000 running bales this year compared with 624,000 bales during this period last year. The total exports from August 1 to September 27 according to the New York Exchange amounted to 1,029,000 bales this year compared with 820,000 bales during the corresponding period last year.

Stocks of cotton on July 31

In order to obtain a more adequate view of this season's supply situation, information on world cotton stocks at the end of July have been summarized together with comparable figures for earlier years. The stocks of all kinds of cotton at the end of July, 1930 as obtained in the accompanying Table amounted to 11.2 million running bales compared with 9.3 million bales last year, 11.7 million bales in 1927, and 13.9 million bales in 1921. Mill stocks of all kinds were the same as in 1926 and smaller than in any other year since then. The larger total is due mostly to the increase in stocks in the United States which were the largest since 1921. Of the total stocks American constituted 6.4 million bales compared with 4.6 million bales in 1929, 5.3 million in 1928, 7.8 million in 1927, and 9.6 million bales in 1921. Stocks of Indian on the other hand, while the smallest since 1927 were only 70,000 bales below last year. Stocks of Egyptian cotton which amounted to 804,000 running bales were the largest in the past ten years.

Table 2.- Cotton, all kinds: Stocks at specified locations at the end of July

Location	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930
	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales
Mill stocks 1/	4,597	5,162	4,055	3,574	4,267	4,498	5,407	4,787	4,863	4,498
Port stocks 2/										
Great Britain	1,171	851	432	456	639	943	1,297	763	839	821
Continent	560	486	186	295	318	345	842	677	490	532
Bombay	1,189	967	502	654	598	525	621	1,143	993	958
Alexandria ..) 3/										478
United States) 3/	265	323	136	51	55	205	304	205	215	30
Afloat 2/										
For Great Britain	130	126	75	122	142	135	142	109	119	92
For Continent	348	219	209	195	212	227	328	323	290	253
Bombay Harbor	2	15	2	3	9	4	2	1	12	8
Stocks of American in United States 4/										
In public storage	3,723	1,488	945	641	487	1,893	1,803	1,156	923	2,804
Elsewhere	1,700	125	280	160	230	510	535	335	275	470
Port stocks and afloat 5/										
Japan and China	250	300	250	200	300	250	375	325	250	300
Total	13,935	9,962	7,072	6,351	7,267	9,535	11,656	9,824	9,269	11,242

1/ International Federation of Master Cotton Spinners and Manufacturers' Association and Bureau of the Census.
2/ The Liverpool Cotton Association Weekly Circular.
3/ Egyptian cotton in Alexandria and the United States.
4/ Bureau of the Census; does not include mill stocks.
5/ From Commercial and Financial Chronicle.

While the total stocks of American cotton this year were the largest since 1927, it may be seen from the accompanying table that mill stocks were the lowest since 1926 and that mill stocks outside of the United States were the lowest since 1924. The increased total is due to the increase in the stocks in public storage in the United States which were the largest since 1921. Port stocks of American in Great Britain were the smallest since 1924 and port stocks on the continent were the lowest since 1926.

Table 3 - Cotton, American: Stocks at specified locations at the end of July

Location	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930
	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales
Mill stocks:										
In United States 1/	1,111	1,218	1,100	638	787	1,011	1,325	935	932	1,048
Outside United States 2/	1,144	1,251	716	689	1,046	958	1,731	1,177	1,197	937
Total mill stocks	2,255	2,469	1,816	1,327	1,833	1,969	3,056	2,112	2,129	1,985
Stocks in public storage in United States 1/	3,723	1,488	945	641	487	1,893	1,803	1,156	923	2,804
Stocks elsewhere in United States 1/	1,700	125	280	160	230	510	535	335	275	470
Port stocks: 3/										
Great Britain ...	750	505	161	200	381	557	954	486	419	294
Continent	498	442	112	194	249	272	790	616	411	407
Afloat: 3/										
For Great Britain	90	53	9	28	19	22	26	26	17	15
For Continent ...	307	120	108	116	124	134	234	200	140	102
Port stocks and afloat:										
Japan and China 4/	250	300	250	200	300	250	375	325	250	300
Total	9,573	5,502	3,681	2,866	3,623	5,607	7,773	5,256	4,564	6,377

1/ Bureau of the Census.
2/ International Federation of Master Cotton Spinners' and Manufacturers' Association.
3/ The Liverpool Cotton Association Weekly Circular.
4/ From Commercial and Financial Chronicle.

Total stocks of Indian cotton on July 31, 1930 were 70,000 bales below 1929 and were the lowest since 1927. Mill stocks and stocks in Bombay were likewise the lowest since 1927. Port stocks in Great Britain and on the Continent, however, were the largest since 1924 indicating that the European buyers had turned more to this lower priced cotton. In view of the reduced stocks at Bombay the question arises whether uncounted stocks in India were also reduced. The fact that world consumption of Indian cotton increased materially last season without a corresponding increase being reported in Indian production indicates that interior stocks in India must have been lowered. The rapid falling off in Bombay stocks recently and the comparative strength in prices of Indian cotton further substantiate this belief. Obviously if stocks of Indian cotton are being depleted, mills will be forced to return to American cotton.

Table 4. - Cotton, Indian: Stocks at specified locations at the end of July

Location	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930
	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales
Mill stocks 1/	1,760	1,805	1,623	1,592	1,599	1,589	1,515	1,728	1,761	1,667
Port stocks:										
Great Britain 2/..	58	23	62	96	35	19	13	54	57	77
Continent 2/.....	34	16	51	77	49	34	21	38	34	58
Bombay 3/.....	1,189	967	502	654	598	525	621	1,143	993	958
Afloat: 2/										
For Great Britain	4	13	28	12	22	12	17	14	18	20
For Continent	26	81	88	60	55	50	58	91	105	122
Bombay harbor	2	15	2	3	9	4	2	1	12	8
Total	3,073	2,920	2,356	2,494	2,367	2,233	2,247	3,069	2,980	2,910

1/. International Federation of Master Cotton Spinners' and Manufacturers' Association.
2/ The Liverpool Cotton Association Weekly Circular.
3/ Commercial and Financial Chronicle.

Total stocks of Egyptian cotton on July 31, 1930 were larger than at any time during the past 10 years. Mill stocks and stocks in Alexandria were likewise larger than at any time during this period. Port stocks in Great Britain, however, were the smallest since 1926. The large port stocks in Alexandria are due in part to the large Egyptian crop of 1929-30 which was the largest crop on record and in part to the purchases of cotton by the Egyptian Government, a large amount of which they are still holding, and in part to the decrease in mill consumption last season.

Table 5. - Cotton, Egyptian: Stocks at specified locations at the end of July

Location	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930
	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales
Mill stocks 1/	181	211	220	188	181	201	210	170	228	237
Port stocks 2/:										
Great Britain	75	97	89	41	38	41	58	51	59	43
Continent	11	11	10	9	5	8	9	7	6	13
Alexandria	265	223	136	51	55	205	304	205	215	476
United States										30
Afloat 2/:										
Great Britain	14	14	8	7	4	5	13	5	8	1
Continent	10	9	9	8	5	8	10	8	13	4
Total	556	565	472	304	288	468	604	446	529	804

1/ International Federation of Master Cotton Spinners' and Manufacturers' Association.
2/ The Liverpool Cotton Association Weekly Circular.

Stocks of other cotton on July 31 of this year were about 45,000 bales less than a year earlier but with the exception of 1926 were larger than any other year during the past 10 years. Mill stocks on the other hand were the smallest since 1924. The small mill stocks were offset by large port stocks in Great Britain and on the Continent which were larger than at any time during the 10-year period 1921-1930.

Table 6. - Cotton, sundries: Stocks at specified locations at the end of July

Location	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930
	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales
Mill stocks 1/.....	401	677	396	467	654	739	626	777	745	609
Port stocks 2/:										
Great Britain	268	226	120	119	185	326	272	172	304	407
Continent	17	17	13	15	15	31	22	16	39	54
Afloat 2/:										
For Great Britain	22	46	30	75	97	96	86	64	76	56
" Continent	5	9	4	11	38	35	26	24	32	25
Total	733	975	563	687	989	1,227	1,032	1,053	1,196	1,151

1/ International Federation of Master Cotton Spinners' and Manufacturers' Association. 2/ The Liverpool Cotton Association Weekly Circular.

Table 7. - Cotton, by kinds: Summary of world stocks at the end of July

Kind	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930
	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales
American...	9,573	5,502	3,681	2,866	3,623	5,607	7,773	5,256	4,564	6,377
Indian....	3,073	2,920	2,356	2,494	2,337	2,233	2,247	3,069	2,980	2,910
Egyptian...	556	565	472	304	288	468	604	446	529	804
Sundries...	733	975	563	687	989	1,227	1,032	1,053	1,196	1,151
Total...	13,935	9,962	6,651	6,351	7,267	9,535	11,656	9,824	9,269	11.242

In connection with the stocks of American cotton, the following summary of the quality of carryover of cotton in the United States on July 31, 1930 which was released September 19, 1930, in comparison with the quality of carryover July 31, 1909 will be of importance. From this Table may be seen that American Upland constituted 95.1 per cent of the total carryover in the United States this year, as compared with 91.8 per cent last year. Of this total, 43.9 per cent of this year's carryover was below 15/16 inch in staple against 38.0 per cent last year. This year only 79.2 per cent of the carryover was tenderable as compared with 82.3 per cent tenderable in 1929. The tenderable cotton over 1-1/32" in staple length amounted to only 17.4 per cent this year as compared with 23.4 per cent last year. The decrease in per cent of tenderable cotton this year as compared with last year is due to the shortness of staple since the per cent of untenderable due to grade is exactly the same this year as last.

Table 8. - Grade, staple length and tenderability of cotton carried over in the United States July 31, 1929 and 1930

Item	July 31, 1929		July 31, 1930	
	Bales	Per cent	Bales	Per cent
Total carryover (as reported by the Bureau of the Census)	2,513,000	100.0	4,530,600	100.0
Total American upland	2,123,700	91.8	4,315,600	95.1
Total American-Egyptian	7,200	0.3	8,100	0.2
Total foreign grown	182,100	7.9	208,900	4.7
Grades (American upland):				
Middling and better, white	1,197,900	56.5	2,514,300	55.6
Strict low and low middling	480,400	22.6	869,800	20.2
Below low middling	128,000	6.0	218,200	5.1
Spotted and yellow tinged	237,800	11.2	717,700	16.7
Light yellow stained, yellow stained, gray, blue stained	2,800	0.1	14,900	0.3
Staple (American upland):				
Under 7/8	155,200	7.3	446,800	10.4
7/8 and 29/32	651,500	30.7	1,445,600	33.5
15/16 and 31/32	397,500	18.7	825,400	19.1
1 and 1-1/32	395,200	18.6	785,000	18.1
1-1/16 and 1-3/32	221,300	10.4	389,300	9.0
1-1/8 and longer	303,000	14.3	423,500	9.9
Tenderability on section 3 futures contracts (American upland):				
Total tenderable	1,748,400	82.3	3,416,300	79.2
Tenderable 7/8" to 1-1/32" inc.	1,251,600	58.9	2,666,600	61.8
Tenderable over 1-1/32"	496,800	23.4	749,700	17.4
Total untenderable	375,300	17.7	897,300	20.8
Untenderable in grade	220,100	10.4	450,500	10.4
Untenderable in staple	74,600	3.5	268,400	6.2
Untenderable in both grade and staple	80,600	3.8	178,400	4.2

Insight, port receipts, mill takings etc.

According to New Orleans Cotton Exchange the cotton into sight movement during August 1930 amounted to about 865,000 bales compared with 825,000 in 1929. Port receipts during August 1930 amounted to 676,000 bales compared with 432,000 in 1929. Cotton moving overland during August this year which amounted to about 33,000 bales or about 40,000 bales less than during the same month last year. American mill takings according to the New Orleans Exchange report, amounted to only 242,000 bales during August this year compared with 461,000 bales in August 1929. Total stocks at ports in interior towns at the end of August this year were 2,589,000 bales which was the largest on record for the month of August, these records being available back as far as 1912. These large insight and port receipts were due to the fact that the crop this year is considerably earlier than last year, and the year before. The record stocks at the interior towns is of course due to the decline in domestic consumption and exports during the previous season which resulted in a large carryover.

Textile situation

The recession in the cotton textile industry is an accompaniment of the world wide business recession. France, the only country on the Continent with the possible exception of Hungary that has been able to maintain a high rate of activity was under the influence of labor strikes during the latter part of July and most of August which resulted in lower mill activity and reduced production. Economic and political conditions in the Orient continue unsatisfactory though the outlook is reported considerably brighter during September. Takings of yarns and piece goods from Great Britain were low during August but some improvement is expected to be shown in the report for September. Brazil and Argentina which are large takers of goods from Great Britain and the United States are in a depressed economic condition. In some countries stocks of both yarn and cloth are reported as decreasing which is a favorable factor.

United States

Cotton textile activity in the United States during August as measured by consumption of raw cotton, declined still further and is now at the lowest level since July 1924, and is the lowest for the month of August since prior to 1913, the first year for which consumption figures for the month of August are available. Consumption during August amounted to 352,000 running bales, 27,000 bales below July and 206,000 bales below August last year. The consumption during August 1924 amounted to 357,000 bales and in July 1924 to 347,000 bales.

Production of standard cotton during August, however, was 5 per cent above July according to a report of the Association of Cotton Textile Merchants of New York. Sales, shipments and unfilled orders were also above July. The ratio of sales to production was 107.6 per cent and of shipments to production was 105.7 which resulted in a decrease during August of 2.8 per cent in stocks. Production during August amounted to 218.8 million yards being at the rate of 43.8 million yards per week. This compares with a weekly rate of 61.5 million yards during August of last year or a decrease of 29 per cent. During 1928 and 1929 the only two years for which comparable data are available, the average weekly production of cotton cloth during August over July increased 9 per cent and 5 per cent respectively. In spite of restricted production stocks are still large.

Great Britain

Conditions in Great Britain's cotton textile industry continued unsatisfactory during August and early September. Market prospects were reported slightly better, however, during the last part of August with more encouraging news from India. This resulted in buyers displaying increased interest in yarn and cloth prices and in slightly improved turnover. The third week in August Manchester reported yarn and cloth inquiry larger, better news from India, and more sales to China with the general prospects brighter. A cable a week later, however, indicated that trade was losing ground again. A cable from Liverpool on September 26 reported some increase in inquiries from India for manufactured goods.

Exports of cotton piece goods during August which amounted to 168.0 million square yards, while 9.3 million square yards above the low figure for June (the lowest month since June 1921), was 29.4 million square yards or 15 per cent below July and 155.3 million square yards or 48 per cent below August last year. Exports of cotton yarns during August were 10.2 million pounds, 200,000 pounds or 2 per cent below July, and 5.1 million pounds or 33 per cent below August 1929, but 500,000 pounds or 5 per cent above June which was the lowest since July 1923. Both cotton yarn and cotton piece goods exports for the season 1929-30 were the lowest for any season since the 1920-21 season.

Continental Europe 1/

The textile situation as a whole in Continental Europe continued unsatisfactory during July and the first half of August. Sales and activity were low but some seasonal increase was reported.

Stocks in most countries are still probably high though labor troubles in France which restricted production probably decreased French stocks. Poland is another country where stocks are lower and due to increased demand have increased their output. Hungary reports fairly satisfactory conditions in regard to sales, mill activity and stocks on hand. In other European countries, however, conditions are less favorable. Sales continue slow and stocks are larger in the face of restricted mill activity and production.

Germany

Unfavorable conditions still exist in the German cotton mills although there was some seasonal pick up in activity during July which probably continued through August. Spinners have been buying raw cotton and fixing prices rather freely during most of July and the second half of August.

As may be seen from the accompanying Table activity in both the spinning and weaving mills is low but the activity during July was above the low figure for July 1929. In relation to 1928-29 the activity in the spinning mills for the past season as a whole was good but was considerably below the seasons 1926-27 and 1927-28. The weaving mills, however, have not on the average been as active this past season as in 1928-29, and were also considerably less active than in either 1926-27 or 1927-28.

1/ Based on cable from Agricultural Commissioner L. V. Steere at Berlin, dated August 27, 1930.

Table 9- Germany: Cotton spinning and weaving mill activity

	Spinning mill activity 1/						Weaving mill activity 2/					
	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
Aug. ...	108	85	119	101	94	3/96	-	73.9	92.8	85.9	66.2	3/69
Sept. ..	118	99	126	101	95		-	77.4	95.4	86.3	69.5	
Oct. ...	117	106	122	90	104		-	82.1	93.4	87.2	72.1	
Nov. ...	116	112	125	110	106		-	84.7	93.1	85.3	75.6	
Dec. ...	119	117	120	102	109		-	86.5	93.3	85.6	72.8	
Jan. ...	102	115	123	107	108		88.6	87.4	93.1	71.3	71.6	
Feb. ...	94	118	125	102	109		85.5	89.3	92.6	71.5	76.1	
Mar. ...	85	122	121	99	105		83.3	91.2	92.3	70.6	76.4	
Apr. ...	76	120	116	105	3/107		78.7	91.4	91.1	70.8	69.3	
May ...	69	123	113	90	100		77.0	93.5	90.4	61.0	72.0	
June ...	74	112	102	93	86		73.3	92.9	88.7	64.3	63.0	
July ...	70	118	99	77	97		71.7	92.5	88.3	61.7	69.0	
Average	96	112	118	98	102		4/79.7	86.9	92.0	75.1	71.1	

German Institute for Economic Research, Berlin.

1/ Revised figures (monthly average July 1924- June 1926 = 100)
2/ Up to December 1928, active looms in percentage of total looms in place; since January 1929, activity in percentage of 9 hours shift capacity.
3/ Estimated: subject to revision.
4/ Average for 7 months.

Imports of cotton yarn and woven materials during the past season are both well below the three previous seasons. Imports of cotton yarns for the season 1929-30 were 19 per cent below the 1928-29 season and 52 per cent below the 1927-28 season. Imports of woven cotton materials although up during July over June are still low, and for the 1929-30 season were 15 per cent below the previous season and 17 per cent below the 1927-28 season.

Table 10- Germany: Imports of cotton yarn and woven materials

Month	Cotton yarn 1/					Woven cotton materials 2/				
	1925-26	1926-27	1927-28	1928-29	1929-30	1925-26	1926-27	1927-28	1928-29	1929-30
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Aug.	--:	3,962:	14,240:	7,046:	6,583:	--:	787:	4,277:	1,455:	1,164
Sept.	--:	4,500:	13,962:	7,286:	4,921:	--:	794:	5,355:	1,534:	1,254
Oct.	--:	4,599:	13,514:	7,842:	5,210:	--:	1,380:	5,620:	2,015:	1,484
Nov.	--:	5,657:	12,840:	8,082:	5,600:	--:	990:	5,758:	1,728:	1,581
Dec.	--:	5,617:	12,879:	6,676:	5,410:	--:	1,063:	5,373:	1,576:	1,358
Jan.	5,772:	6,931:	13,252:	8,027:	5,666:	3,333:	1,594:	5,959:	2,097:	1,371
Feb.	5,154:	8,400:	11,409:	6,303:	6,354:	2,846:	2,943:	4,363:	1,728:	1,530
Mar.	4,899:	10,384:	10,657:	7,147:	6,111:	1,984:	3,671:	4,403:	1,757:	1,660
Apr.	4,140:	13,488:	10,154:	6,327:	5,441:	1,351:	3,995:	3,530:	1,755:	1,468
May	3,554:	12,509:	8,823:	6,259:	5,225:	1,142:	4,667:	2,650:	1,499:	1,530
June	4,638:	13,294:	8,093:	5,271:	5,183:	1,142:	4,824:	2,092:	1,534:	1,307
July	3,988:	12,328:	7,502:	5,760:	4,844:	787:	4,694:	2,255:	1,356:	1,343
Total		101,669:	137,325:	82,046:	66,548:		31,422:	51,635:	20,034:	17,050

Official Foreign Trade Statistics.
1/ No. 440 - No. 444 of the German Duty Register.
2/ No. 453a- No. 457d2.

Austria

The unsatisfactory conditions which have existed in the Austrian mills during most of the 1929-30 season are reported to have continued during July and into August. New sales are scarce and exports of cotton yarn are very low especially when compared with 1927 and 1928. Efforts are being made in Austria and Czechoslavkia to erect a Central European price and term cartel which is to include Germany and Hungary.

Exports of cotton yarn to Germany during July were 9,000 pounds above June but were considerably below July 1929. Exports for the season 1929-30 amounted to 916,000 pounds compared with 1,486,000 pounds in 1928-29, 3,298,000 in 1927-28 and 4,149,000 pounds in 1926-27. (See Table on following page)

Table 11.- Austria: Exports of cotton yarn to Germany 1/

Month	1925-26	1926-27	1927-28	1928-29	1929-30
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Aug.		139	551	201	73
Sept.		165	317	176	37
Oct.		132	245	157	29
Nov.		148	240	134	95
Dec.		159	223	214	66
Jan.	664	243	163	101	84
Feb.	494	476	260	88	104
Mar.	331	558	220	73	128
Apr.	331	694	203	106	121
May	243	624	340	84	34
June	203	456	243	40	53
July	194	355	293	112	62
Total		4,149	3,298	1,486	916

Compiled from official foreign trade statistics.

1/ Five representative positions, i. e. sections 440 a-e of the German duty register.

Activity in the spinning mills of Austria during May and June was up compared with the three months from February through April, but reports indicate that further restrictions have taken place during July and August. The average activity in per cent of full capacity for the eleven months ended June 30, 1930 was 76 compared with 79 for the 1928-29 season and 81 for the 1927-28 season.

Table 12.- Austria: Cotton spinning mill activity (Percentage of "full capacity") 1/

Month	1922-23	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
Aug.	--	59	57	76	57	90	76	73
Sept.	--	63	68	79	60	85	75	76
Oct.	--	63	70	83	65	85	79	76
Nov.	--	64	69	91	76	83	74	77
Dec.	--	66	78	87	75	82	80	78
Jan.	55	70	77	81	75	83	82	81
Feb.	57	70	80	85	79	81	83	73
Mar.	59	74	75	79	82	81	84	77
Apr.	59	72	75	75	86	78	84	72
May	58	67	70	67	85	73	80	79
June	62	64	76	62	82	76	74	77
July	59	66	79	72	87	73	73	
Average	2/ 58	67	73	78	76	81	79	3/ 76

Compiled from reports of the Austrian Institute for Economic Research.

1/ "Full capacity" means about 135 per cent of post-war single shift capacity.

2/ Average of 7 months. 3/ Average of 11 months.

Czechoslovakia

Conditions in the textile industry of Czechoslovakia for July and August are reported as poor with much restriction in activity. Exports are lower and new sales are scarce.

Exports of cotton yarn for the first eleven months of the 1929-30 season were 6 per cent above the similar period the previous year, but 6 per cent below the eleven month period in 1927-28. Cotton fabric exports for the eleven months in 1929-30, however, were 8 per cent below the like period in 1928-29 and 16 per cent below 1927-28.

Table 13.- Czechoslovakia: Exports of cotton yarn and cotton fabrics

Month	Cotton yarn, unbleached 1/					Cotton fabrics of all kinds 2/				
	1925-26	1926-27	1927-28	1928-29	1929-30	1925-26	1926-27	1927-28	1928-29	1929-30
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Aug.	--	3,252	5,373	3,569	4,198	--	6,903	9,105	7,476	8,342
Sept.	--	3,038	5,263	3,435	3,865	--	7,374	11,087	9,553	8,247
Oct.	--	3,309	4,687	4,231	4,173	--	7,571	9,224	8,655	8,763
Nov.	--	3,576	4,797	3,896	4,462	--	6,971	8,150	6,656	6,997
Dec.	--	3,311	5,165	4,872	5,062	--	6,508	8,437	7,613	7,474
Jan.	2,921	3,624	4,200	4,105	3,926	6,164	6,382	6,508	5,776	5,743
Feb.	2,619	4,850	4,453	3,095	4,200	6,812	7,498	7,127	5,582	5,851
Mar.	2,835	5,604	5,441	4,374	4,883	8,247	8,232	8,638	7,515	6,537
Apr.	2,440	5,736	3,801	4,837	4,127	6,076	7,743	6,047	7,829	5,734
May	2,286	5,664	3,761	3,560	4,372	4,453	6,479	5,727	6,325	5,580
June	2,041	6,345	3,812	4,015	3,470	4,747	7,496	5,240	6,173	4,067
July	2,560	5,342	3,351	3,812		5,679	6,552	6,312	6,362	
Total		53,651	53,103	47,831			85,709	91,662	85,514	

Official Foreign Trade Statistics.
1/ No. 501 - 504 of the Czechoslovakian Duty Register.
2/ No. 527 - 577 " " " " "

Hungary

The textile situation in Hungary continues to be fairly satisfactory. Mill activity which has been very good during recent months in spite of the depression in most countries is still high. Sales continue favorable especially during August due to reduced prices. The Hungarian textile industry, as has been previously pointed out, is on an import basis and is well protected by tariff.

France

During the later part of July and most of August textile activity in France was under the influence of extensive labor strikes which resulted in lower mill activity and reduced production. Most of the labor troubles had been settled by the last of August. These strikes which were the result of dissatisfaction in the health insurance schemes which were put into operation July 1 have resulted in increased wages, in some sections at least, will be difficult to bear for some mills. As has often been pointed out in these reports, the French cotton industry faces an important problem in the retention of its skilled labor because of the relative shortage of labor in France due to the reduction in the young workers which is a result of the sharp drop in the birth rate during the war.

Sales of textiles were also low during most of July and August though the lower prices and the exceptional heat during the last of August resulted in increased retail sales of cotton goods. The reduced production due to the labor dispute has probably resulted in reduced stocks.

Italy

Reports on the Italian cotton industry indicate that the unsatisfactory conditions which have existed since last spring continued through July and August. Production and sales were further reduced during these two months and exports were reduced still more. There is some hope, however, that textile exports to Russia will improve due to a recent treaty between Italy and Russia. Stocks of cotton goods are above unfilled orders and activity is below this time a year ago.

Poland

Consolidated efforts on the part of the textile industry of Poland during recent months in restricting the output of yarn and cloth has resulted in a decrease in the supply of yarn. Seasonal improvement has taken place and the demand for yarn is good. The syndicate has increased prices and have also increased output in view of the better demands.

China

The textile situation in China during July and August continued about the same except that the political and military conditions in the interior have somewhat complicated the outlook, according to Agricultural Commissioner Nyhus. Deliveries of yarn are quite fair considering these conditions.

The report for September states that conditions have improved and demands for yarn are picking up.

Japan

The Japanese cotton industry is more optimistic as yarn prices have risen about 25 per cent since June and are now steady at a point which will allow mills some profit, according to Consul Dickover at Kobe. July production of yarn amounted to 70.8 million pounds, a decrease of 30 per cent from the peak of last December. July cloth production also decreased and was 29 per cent below the December peak. Much of this decreased production was due to the restriction of output on account of shortage of cotton stocks. Exports during July were fairly good and stocks of both yarn and cloth are decreasing. If this continues much longer there will likely be increased mill activity during the remainder of the year. A later report indicates a brighter outlook with continued curtailment and increased orders for cloth from China and India.

India

The textile situation in Bombay is very poor. A dispatch on September 3 stated that with the closing of six additional cotton mills in Bombay, the number of workers involved has risen to about 60,000. A total of twenty-four mills were idle at that time.

Philippine Islands

General conditions in the Philippine textile market are still very unsatisfactory from the standpoint of importers of American textiles, according to a cable received by the Department of Commerce dated August 20 from Trade Commissioner E. D. Hester, Manila. Chinese dealers continue to prefer Japanese goods to American textiles owing to their ability to make some profits from the former. Another cable from Commissioner Hester dated September 16 reports that business conditions in the Philippine Islands continues seriously depressed. Textile indent agents however, claim that prospects in their line are better than for the past few months.

Production, acreage and crop condition reports

United States

Production estimate

According to the Crop Reporting Board the 1930 cotton crop for the United States is forecast at 14,340,000 bales, based on conditions as of September 1. This is 22,000 bales less than were in prospect a month earlier, 488,000 bales less than last year's crop and 688,000 bales less than the average crop of the five years 1924 to 1928. Average yield is forecast at 153.2 pounds per acre, which is 1.9 pounds less than the average for the past ten years. Condition is reported as 53.2 per cent of normal, which is 2.2 per cent below last year on the same date. The preliminary estimate of acreage left for harvest is 44,791,000 acres, abandonment after July 1 this year

being estimated at 2.2 per cent, compared with average abandonment for the past ten years of 3.5 per cent.

Abandonment is less than average in all states except Arkansas and California, in which States it is slightly more than the 10-year average.

During the past month boll weevil activity has been generally held in check by relatively hot, dry weather, and the present prospect is that total loss from weevils will be less than in any year since all States in the cotton belt proper have been infested with weevils, except 1925. In that year reported reduction from a full yield due to weevils was 4.1 per cent. While there are a few weevils in nearly all sections of the belt, the only States where they are present in considerable numbers are the Carolinas.

The crop generally is maturing and opening quite rapidly, and there are many complaints of unripe bolls opening prematurely because of the dry weather; this is especially true in the central part of the belt where the drouth has been worst.

In interpreting yield per acre from the reported condition, the Board in this report, as it has for several years past, considered not only the general condition of the crop but also supplementary information on the probable loss from weevils.

Ginnings of the 1930 crop prior to September 16

Counting round bales as half bales a total of 3,729,683 bales have been ginned from the 1930 crop prior to September 16 which compares with 3,351,613 bales for the corresponding period last year and 2,500,781 bales in 1928 according to a preliminary report of the Bureau of the Census. Texas, South Carolina, Georgia and North Carolina were the principal states in which ginnings were above last year. Mississippi, Arkansas and Louisiana were the three outstanding states in which ginnings were below the corresponding period a year ago. Ginnings in Alabama were practically the same in these two years.

Indian cotton acreage and condition

According to a cable from the International Institute of Agriculture the acreage planted to cotton prior to August 1 amounted to 14,875,000 acres which is 6 per cent below the area planted to the corresponding date last year but .5 per cent above the previous 5-year average. The revised estimate of total area planted to cotton in India last season was 25,692,000 acres. During the past fifteen years the estimated acreage planted to August 1 has averaged about 54 per cent of the final estimate and the range has been from 47.5 per cent to 66.7 per cent of the final estimate.

The condition of cotton in Punjab province, which represents on an average about 10 per cent of the acreage of the total area in cotton in India, was reported as average to good in the irrigated area and about

average in the unirrigated area. Cotton acreage in Punjab was estimated at 2,310,000 acres. At this time last season the estimated acreage in Punjab was 2,201,000 acres. The final estimate of the acreage in Punjab last season was 2,496,000 acres.

Chosen (Korea) cotton acreage

According to the International Institute of Agriculture the area planted to cotton in Chosen for the 1930-31 season amounted to 463,000 acres. This compares with the acreage of the previous season of 459,000 and 505,000 acres in 1928-29. The percentage of native cotton this year is a little less than last year resulting in an increase in the percentage of Upland cotton planted.

Miscellaneous News

Cotton cooperatives

The Federal Farm Board on August 25 made public the following statement issued by E. F. Creekmore, Vice President and General Manager of the American Cotton Cooperative Association: " Realizing the deplorable condition of the cotton farmer in the South because of the present low level of prices and through the assistance of the Federal Farm Board, the Cotton Stabilization Corporation has arranged today to advance to the various State Cotton Cooperative Associations for the benefit of their seasonal pool members approximately 90 per cent of the value of the cotton where located. On optional pool cotton the advance will be 10 per cent less than on seasonal pool cotton. As the market advances or declines the advances will be adjusted. It is believed that on the present level of prices the amount which can now be advanced the southern farmers on delivery of their cotton will enable a majority of them to take advantage of the cooperative marketing and in that way receive the benefit of any future advances in price."

The Staple Cotton Association recently announced that it is prepared to advance an amount equal to 100 per cent of the value of short cotton, the staple premiums constituting the necessary margin to the loan. If value of short cotton does not equal as much as 80 per cent of the value of staple cotton, the Association states that it will be prepared to bring the advances up to 80 per cent of the current value.

The following statement was issued September 23 by Mr. E. F. Creekmore. "The present holdings of the Cotton Stabilization Corporation amounting to about 1,300,000 bales will be maintained throughout the present cotton season ending July 31, 1931 unless the price in the meantime advances to or above the purchase price. If any part of these holdings are sold in order to meet special requirements of mills or for other sufficient reasons the quantity thus sold will be replaced immediately by the purchase of an equal number of bales so that the total holdings will remain unchanged."

The directors of the Arizona Farm Bureau Federation on August 29 submitted a plan for relieving the farmers. Their proposal was that the

farmers purchase their 1931 crop on the New York futures market, preferably July contracts. All cotton received on these contracts would be sold and handled through the Cooperatives or through the Stabilization Corporation. (The Daily News Record)

International cotton congress

Textile World for August 23 says " plans for the International Cotton Congress to be held in Paris next year are well under way it was announced by N. S. Pearce, General Secretary of the International Federation of Master Cotton Spinners' and Manufacturers' Association - - - - . The date has been definitely set for June 23 to 25, 1931. The program has not yet been completed. Paris designers are reported planning special models in cotton to be shown at the Congress."

New uses for cotton

South Carolina watermelons were shipped this season in cars lined with cotton cheese cloth with such success as to indicate an important new use for cotton, according to C. K. Everett of the Cotton Textile Institute. To protect the melons from friction the side walls and ends of the cars were cushioned with straw, the latter being held in place with a covering of cheese cloth. (Textile World August 16)

According to an announcement made September 18 by the textile division of the Department of Commerce, the rapid rise of minature golf has resulted in the use of approximately 1,500,000 yards of cotton textile fabrics on the links throughout the country. (Daily News Record, September 19)

H. S. Johnson writing in The American City, New York says "there is practical significance and experience now being made with cotton fabrics in improving country roads. The result in South Carolina since 1927, and in Texas since 1929, already have attracted notice in foreign countries as well as in the United States because of distinct changes in engineering technique. It was fitting that experiment with this new use of cotton should be undertaken first in the South where cotton is important not only as farm crop but as a manufactured product". Results indicate, the article says, that rural roads can be improved quickly, economically and satisfactorily by such use of the cotton fabric membrane in connection with light tar and asphalt oil.

Considerable interest has been shown for the use of cotton suits for men. The Governors of the various cotton growing states have been asked to assist in the spreading of this new use for cotton. (Daily News Record)

C-62

Cotton rates revised

The Interstate Commerce Commission has issued a report revising rates on cotton from southern producing points to destinations throughout the country. Rates within the Mississippi Valley called for a reduction of about 10 per cent. The reduction in rates from points in Oklahoma would amount to about 7 to 15 per cent. In the Mississippi Valley it is estimated that there will be a slight reduction in the total expenditures of freight charges while in the southwest reductions are expected to range from $500,000 to $1,000,000. These new rates are effective January 10, 1931.

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C-62

CONTENTS

		Page
1.	Prices	3
2.	Stocks and Movements	4 -11
	Table 1 - World visible supply of cotton: American and other growths on September 26, 1929 and 1930	4
	Table 2 - Cotton, all kinds: Stocks at specified locations at the end of July	6
	Table 3 - Cotton, American: Stocks at specified locations at the end of July	7
	Table 4 - Cotton, Indian: Stocks at specified locations at the end of July	8
	Table 5 - Cotton, Egyptian: Stocks at specified locations at the end of July	9
	Table 6 - Cotton, Sundries: Stocks at specified locations at the end of July	10
	Table 7 - Cotton, by kinds: Summary of world stocks at the end of July	10
	Table 8 - Grade, staple length, and tenderability of cotton carried over in the United States July 31, 1929 and 1930	11
3.	Textile situation	12-19
	Table 9 - Germany: Cotton spinning and weaving mill activity	14
	Table 10- Germany: Imports of cotton yarn and woven materials	15
	Table 11- Austria: Exports of cotton yarn to Germany	16
	Table 12- Austria: Cotton spinning mill activity (Percentage of "full capacity")	16
	Table 13- Czechoslovakia: Exports of cotton yarn and cotton fabrics	17
4.	Production, acreage and crop condition reports	19-21
5.	Miscellaneous news	21-23

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